MARK E. FELGER (MF9985) JERROLD N. POSLUSNY, JR. (JP7140) COZEN O'CONNOR

A Pennsylvania Professional Corporation LibertyView, Suite 300 457 Haddonfield Road Cherry Hill, NJ 08002 (856) 910-5000 (856) 910-5075 (fax)

Attorneys for the Debtors

SHAPES/ARCH HOLDINGS L.L.C., et

In re:

Debtors. CASE NO. 08-14631 (GMB)

CHAPTER 11

at 10:00 a.m.

Hearing Date: November 10, 2008

UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF NEW JERSEY

DEBTORS' THIRD OMNIBUS OBJECTION, OBJECTING TO PROOFS OF **CLAIM THAT IMPROPERLY ASSERT AN ADMINISTRATIVE CLAIM**

ALL PARTIES THAT FILED A PROOF OF CLAIM AND RECEIVED THIS OBJECTION SHOULD REVIEW THIS OBJECTION CAREFULLY TO LOCATE THEIR NAMES AND CLAIMS IN THE EXHIBITS TO THIS OBJECTION AND THE BASIS FOR THE DEBTORS' OBJECTION TO YOUR THE DEBTORS URGE CLAIMANTS RECEIVING THIS CLAIM(S). OBJECTION TO DISCUSS THE OBJECTION WITH THEIR ATTORNEYS.

Shapes/Arch Holdings L.L.C. and its related debtor entities (collectively the "Debtors"), the reorganized debtors, hereby submit, pursuant to Rule 3007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), their Third Omnibus Objection (the "Third Omnibus Objection") to proofs of claim that improperly assert an Administrative Claim (as defined in the Plan). In support of the Third Omnibus Objection, the Debtors represent as follows:

¹ In addition to Shapes/Arch Holdings L.L.C. ("Shapes/Arch"), the following entities, all of which are wholly owned subsidiaries of Shapes/Arch, also filed petitions on the Petition Date (defined below): Shapes L.L.C. ("Shapes"); Delair L.L.C. ("Delair"); Accu-Weld L.L.C. ("Accu-Weld"); and Ultra L.L.C. ("Ultra").

BACKGROUND

General

- 1. On March 16, 2008 (the "<u>Petition Date</u>"), the Debtors filed their respective petitions for relief under Chapter 11, Title 11 of the United States Code (the "<u>Bankruptcy</u> Code").
- 2. These cases are being jointly administered pursuant to this Court's Order of March 18, 2008 under the lead debtor "Shapes/Arch Holdings L.L.C."
 - 3. No trustee or examiner has been appointed in these cases.
- 4. An official committee of unsecured creditors (the "Committee") was appointed on March 31, 2008, and was active in these cases through the Effective Date (defined below).
- 5. The Court confirmed (the "<u>Confirmation Order</u>")the Debtors' Third Amended Joint Plan of Reorganization (the "<u>Third Amended Plan</u>") effective as of July 22, 2008. The Third Amended Plan became effective on August 8, 2008 (the "<u>Effective</u> Date").
- 6. The Court has jurisdiction over this Objection pursuant to 28 U.S.C. § 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

Case 08-14631-GMB Doc 683-1 Filed 10/08/08 Entered 10/08/08 14:15:56 Desc Third Omnibus Objection Page 3 of 13

Schedules And Proofs Of Claim

- 7. On the Petition Date the Debtors filed their Statements of Financial Affairs, Schedules of Assets and Liabilities and Schedule of Executory Contracts and Unexpired Leases (the "Bankruptcy Materials").
- 8. Pursuant to this Court's order, dated March 18, 2008, the Debtors retained Epiq Bankruptcy Solutions, L.L.C. as their official claims and noticing agent.
- 9. Paragraph 40 of the Confirmation Order required that all parties asserting an Administrative Claim arising between June 16, 2008 and the Effective Date (except for Fee Claims (as defined in the Plan)) were to have been filed no later than September 8, 2008 (the "Second Administrative Claim Bar Date").² Notice of the Second Administrative Claim Bar Date was included in the Debtors' notice of the Effective Date.
- 10. Approximately 55 Administrative Claims were filed prior to the Second Administrative Claim Bar Date. The Debtors have conducted a review and reconciliation of those claims to determine, inter alia, whether they appropriately assert the right to a priority under Section 507 of the Bankruptcy Code. This Third Omnibus Objection relates to proofs of claims that improperly assert an Administrative Claim (the "Improperly Classified Claims").

² Requests for payment of Administrative Claims arising between the Petition Date and June 15, 2008 (except for Fee Claims) were to be filed by June 30, 2008, pursuant to a separate Court order.

RELIEF REQUESTED AND THE BASIS THEREFOR

11. Pursuant to Bankruptcy Rule 3007(d)(8), the Debtors hereby object to the Improperly Classified Claims listed on Exhibits "A" and "B" because they assert entitlement to Administrative Claims (as defined in the Plan) even though the claims accrued prior to the Petition Date.

A. Parties Asserting Improperly Classified Claims to be Expunged and Disallowed

- 12. The Debtors have determined that each of the proofs of claim identified on Exhibit "A" as "Claim to be Expunged" improperly asserts an Administrative Claim, because the claim accrued prior to the Petition Date. Moreover, each of those claimants was either scheduled by the Debtors as holding an allowed pre-petition claim, or filed a pre-petition claim.
- 13. Therefore, each claimant is asserting a claim in an amount that exceeds the maximum amount that should be afforded priority under Section 507(a)(2) of the Bankruptcy Code.
- 14. Therefore, the Court should sustain the objection to each of the Improperly Classified Claims listed on Exhibit "A".
- 15. If the Improperly Classified Claims listed on Exhibit "A" are not formally expunged and disallowed the potential exists for the claimants to recover an amount far in excess of that to which they are entitled.
- 16. Accordingly, the Debtors request that the Court enter an order expunging and disallowing the proofs of claim identified on Exhibit "A" as "Claims to be Expunged."

B. Parties Asserting Improperly Classified Claims to be Reclassified

- 17. The Debtors have determined that each of the Improperly Classified claims identified on Exhibit "B" should be reclassified as Class 10 General Unsecured Claims (as defined in the Plan). The Debtors have reviewed these proofs of claim and have determined that the proofs of claim identified on Exhibit "B" as "Claim to be Reclassified" improperly asserts an Administrative Claim, because the proofs of claim reference claims that accrued prior to the Petition Date.
- 18. Therefore, each claimant is asserting a claim in amount that exceeds the maximum amount that should be afforded priority under Section 507(a)(2) of the Bankruptcy Code.
- 19. The Debtors assert that the claims listed on <u>Exhibit "B"</u>, should be reclassified because the claims were filed for amounts different than what was listed in the Debtors' Schedules.
- 20. If such Improperly Classified Claims are not formally reclassified, the potential exists for the claimants to recover an amount far in excess of what they would recover if their claims were properly classified.
- 21. Accordingly, the Debtors request that the Court enter an order reclassifying the proofs of claim identified on Exhibit "B".

RESERVATION

22. The Debtors, on their behalf and on behalf of the Class 10 Liquidating Trustee, hereby reserve the right to object in the future to any claims identified on Exhibits "A" and "B" that are not expunged or disallowed on any additional grounds.

WAIVER OF MEMORANDUM OF LAW

23. The Third Omnibus Objection does not raise any novel issues of law and, accordingly, the Debtors respectfully request that the Court waive the requirement contained in Rule 9013-2 of the Local Bankruptcy Rules for the District of New Jersey that a separate memorandum of law be submitted in support of the Third Omnibus Objection.

NOTICE

24. Notice of this Motion has been provided to: (a) counsel for CIT, (b) counsel for Arch, (c) the Office of the United States Trustee, (d) counsel to the Class 10 Liquidating Trustee (as defined in the Plan), (e) all parties that are listed on Exhibits "A" and "B" at the address specified on the Improperly Classified Claims, and (f) all parties on the Master Service List. In light of the nature of the relief requested herein, the Debtors submit that no further notice is necessary.

WHEREFORE, the Debtors respectfully request that the Court enter an order granting the relief requested and such other and further relief as is just and proper.

Dated: October 8, 2008 COZEN O'CONNOR, P.C.

> By: <u>/s/ Jerrold N. Poslusny</u>, Jr. Mark E. Felger Jerrold N. Poslusny, Jr.

Attorneys for the Debtors

VERIFICATION

Richard Mackessy certifies and states as follows:

- 1. I am the Interim Chief Financial Officer of the Reorganized Debtors³, and I am fully authorized to make this Verification on all of the Debtors' behalf.
- 2. I have read the foregoing Objection and I hereby certify and verify that all of the statements contained therein are true.
- 3. I hereby verify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me is willfully false, I am subject to punishment.

 Richard Mackessy

Dated: October , 2008

³ Unless otherwise defined capitalized terms shall have the same meaning ascribed to them in the Motion.

EXHIBIT A

Parties Asserting Improperly Classified Claims to be Expunged and Disallowed (all parties listed alphabetically, and individuals by last name)

Please refer to Pages 4 of the Third Omnibus Objection for the stated grounds in support of the objection.

Name/Address of Claimant	<u>L</u>	Claim to	be Expunged		Remaini				
	Claim Number	Debtor	Claim Amount	Claim Type	Cross Claim Number	Debtor	Claim Amount	Claim Type	Comment
7 Oil Company Inc	841	Shapes/Arch	\$8,849.36	Α	71	Shapes/Arch	\$8,849.36	U	Remaining claim subject to future objection.
PO Box 2526									
Cinnaminson, NJ 08077									
A Best Vending	875	Shapes/Arch	\$1,353.69	Α	Sch.	Shapes/Arch	\$1,566.14	U	Remaining claim subject to future objection.
7336 State Rd. Philadelphia, PA 19136									
Accu Staffing Services 911 Kings Highway North Cherry Hill, NJ 08034	858	Shapes/Arch	\$1,261.66	A	Sch.	Ultra	\$405.76	J	Remaining claim subject to future objection.
Acorn Industrial Products Co. 520 Hertzog Blvd King Of Prussia, PA 19404	842	Shapes/Arch	\$791.18	A	98	Shapes/Arch	\$791.18	U	Remaining claim subject to future objection.
Akron Bearing Company, Inc. PO Box 7159	876	Shapes/Arch	\$5,898.77	A	82	Shapes/Arch	\$5,898.77	U	Remaining claim subject to future objection.
Akron, OH 44306			A. 150.00			01	*=== ==		
Branch Radiographic Labs Inc 32 South Ave W Cranford, NJ 07016	836	Shapes/Arch	\$1,152.80	A	Sch.	Shapes	\$599.20	U	Remaining claim subject to future objection.
Broglin, Juliette	882	Shapes/Arch	\$75,000.00	A	Sch.	Shapes/Arch	\$0.00	U	Remaining claim subject to future objection.
311 Edgewater Ave. Westville, NJ 08093	002	Onapes/Arch	Ψ/3,000.00		301.	Shapes/Arch	φυ.υυ	0	The maining claim subject to future objection.
Castool Tooling Systems 2 Parratt Rd. Uxbridge, ON	877	Shapes/Arch	\$12,445.00	А	91	Shapes/Arch	\$12,445.00	U	Remaining claim subject to future objection.
L9P-1R1 Chung Hsin Enterprise Ltd. NO. 16, Sec 1, Gour Guang Rd., DAH LII	861	Shapes/Arch	\$13,557.60	A	270	Ultra	\$13,557.60	U	Three General Unsecured Claims filed [Claim #s 193, 194 and 270] are subject to future
Taichung County, Taiwan R.O.C. 41218									objections.
Clean Venture, Inc. 201 South First Street	878	Shapes/Arch	\$12,274.96	A	700	Shapes/Arch	\$12,274.96	U	Remaining claim subject to future objection.
Elizabeth, NJ 07206 Clendenin Brothers, Inc. 4309 Erdman Avenue	855	Shapes/Arch	\$12,635.00	А	Sch.	Shapes	\$12,635.00	U	Remaining claim subject to future objection.
Baltimore, MD 21213									
DiMedio Lumber & Cabinet LLC 651 Cutler Ave.	879	Delair	\$3,022.00	A	375	Delair	\$3,022.00	U	Two General Unsecured Claims filed [Claim #s 293 and 375] are subject to future objections.
Maple Shade, NJ 08052	252		47.400.00			01 /4 1	AT 100 00		T. 0
ETS Corporation 320 High Tide Drive, Suite 201 St. Augustine, FL 32080	859	Shapes/Arch	\$7,400.00	A	606	Shapes/Arch	\$7,400.00	U	Two General Unsecured Claims filed [Claim #s 483 and 606] are subject to future objections.
Griffin, George 6552 Windsor Street	832	Shapes/Arch	\$887.00	A	3	Shapes/Arch	\$887.50	Р	Remaining claim subject to future objection.
Philadelphia, PA 19142 Hale Trailer Brake & Wheel PO Box 1400	848	Shapes/Arch	\$2,370.00	A	Sch.	Shapes/Arch	\$2,370.00	U	Remaining claim subject to future objection.
Route 73 & Cooper Road Voorhees, NJ 08043									
Homes Plus, Inc. 2800 Sylvester Rd. Albany, GA 31705	880	Shapes/Arch	\$16,000.00	A					
International Extrusion Designs 2377 Hoffman Street	833	Shapes/Arch	\$6,000.00	A	829	Shapes/Arch	\$50,429.98	U	Remaining claim subject to future objection.
Bronx, NY 10458			4			1			
IT Net Services 1900 Highway 17 N. Unit I1 Mt. Pleasant, SC 29464	881	Shapes/Arch	\$812.50	A	Sch.	Ultra	\$750.00	U	Remaining claim subject to future objection.
Junker, Inc. PO Box 645	835	Shapes/Arch	\$9,963.68	A	417	Shapes/Arch	\$9,963.68	U	Two General Unsecured Claims filed [Claim #s 109 and 417] are subject to future objections.

Name/Address of Claimant		Claim to	be Expunged		Remaini	ng Claims			
	Claim Number	Debtor	Claim Amount	Claim Type	Cross Claim Number	Debtor	Claim Amount	Claim Type	Comment
Kane Steel Company PO Box 829 301 S. 12th St. Millville, NJ 08332	853	Shapes/Arch	\$3,560.34	A	73	Shapes/Arch	\$3,560.34	U	Remaining claim subject to future objection.
Methold Engineering 10 Country Line Road, Ste 21 Branchburg, NJ 08876	883	Shapes/Arch	\$812.50	А	Sch.	Accu-Weld	\$77.44	U	Remaining claim subject to future objection.
Monster, Inc. 7800 W. Brown Deer Road, Suite 200 Milwaukee, WI 53223	884	Shapes/Arch	\$2,650.00	A	Sch.	Shapes	\$2,650.00	U	Remaining claim subject to future objection.
National Basic Sensor 4291 Carvel Ave. Trevose, PA 19053	856	Shapes/Arch	\$122.50	A	Sch.	Shapes	\$122.50	U	Remaining claim subject to future objection.
National Certified Testing Labs (Nctl) 5 Leigh Dr York, PA 17406	834	Shapes/Arch	\$1,885.00	A	77	Shapes/Arch	\$1,885.00	U	Remaining claim subject to future objection.
New Pig Corp One Pork Ave Tipton, PA 16684-0304	843	Shapes/Arch	\$604.77	A	31	Accu-Weld	\$604.77	U	Remaining claim subject to future objection.
Plastic Process Equipment, Inc. 8303 Corporate Park Drive. Macedonnia, OH 44056	885	Shapes/Arch	\$153.04	A	Sch.	Accu-Weld	\$153.04	U	Remaining claim subject to future objection.
Print-Tech Graphics Inc. 1165 Hollow Rd. Narberth, PA 19072	870	Shapes/Arch	\$4,163.94	A	724	Ultra	\$3,421.54	U	Remaining claim subject to future objection.
Pro Group, Inc. Po Box 6585 Englewood, CO 80155-6585	857	Shapes/Arch	\$595.00	A	Sch.	Ultra	\$595.00	U	General Unsecured Claim filed [Claim # 331] is subject to future objections.
Pro Label, Inc. 2415 N. Progress Drive Appleton, WI 54911	865	Shapes/Arch	\$963.03	A	Sch.	Accu-Weld	\$963.03	U	Remaining claim subject to future objection.
Prodex, Inc. PO Box 14 Red Hill, PA 18076	886	Shapes/Arch	\$1,153.00	A	16	Shapes/Arch	\$1,153.00	U	Remaining claim subject to future objection.
REIT Lubricants Company 899 Mearns Road Warminster, PA 18974	844	Shapes/Arch	\$17,555.07	A	80	Shapes/Arch	\$17,555.07	U	Remaining claim subject to future objection.
Sama Wood 20 Sand Park Road Cedar Grove, NJ 07009	887	Ultra	\$1,896.00	A	Sch.	Ultra	\$1,896.00	U	Remaining claim subject to future objection.
Stik II Division/Adhesive Applications PO Box 71 Easthampton, MA 01027	831	Shapes/Arch	\$247.50	A	Sch.	Accu-Weld	\$188.30	U	Remaining claim subject to future objection.
Strahl & Pitsch PO Box 1098 West Babylon, NY 11704	864	Shapes/Arch	\$593.80	A	29	Shapes/Arch	\$593.86	U	Remaining claim subject to future objection.
Summit Metal Products Corp. 700 A. Chettic Ave. Copiague, NY 11726	837	Shapes/Arch	\$4,799.41	A	134	Shapes/Arch	\$4,799.41	U	Two General Unsecured Claims filed [Claim #s 134 and 888] are subject to future objections.
Tellkemp Systems Inc 15523 Carmenita Road Santa Fe, CA 90760	866	Shapes/Arch	\$5,360.28	A					
TransCore 11000 SW Stratus, Ste 100 Beaverton, OR 97008	889	Shapes/Arch	\$566.00	A	Sch.	Accu-Weld	\$566.00	U	Remaining claim subject to future objection.
Tuscaloosa Security & Locksmith, LLC 1613 15th Street-Suite C Tuscaloosa, AL 35401	891	Shapes/Arch	\$330.00	A					

		Claim to be Expunged					Remaini			
Name/Address of Claimant	Claim Number	Debtor	Claim Amount	Claim Type		oss aim aber	Debtor	Claim Amount	Claim Type	Comment
Unipunch Products, Inc. 527 3rd Ave. PO Box 17 Clear Lake, WI 54005	892	Shapes/Arch	\$3,299.86	Α	2	4	Shapes/Arch	\$3,299.86	U	Remaining claim subject to future objection.
US Blade 90 Myrtle Street Cranford, NJ 07016	869	Shapes/Arch	\$8,400.00	Α						
S - Secured										
A - Administrative										
P - Priority U - Unsecured T - Total Claimed										
Sch Scheduled Claim										

EXHIBIT B

Parties Asserting Improperly Classified Claims to be Reclassified (all parties listed alphabetically, and individuals by last name)

Please refer to Page 3 of the Third Omnibus Objection for the stated grounds in support of the objection.

Name/Address of Claimant	Claim Number	Debtor	Claim Amount	Claim Type	Comment	
GAPP, Inc. 201 Marple Ave. Clifton Heights, PA 19018-2497	854	Shapes/Arch	\$2,192.85	Ä	Remaining claim subject to future objection.	
Henry Stewart Company 601 Conestoga Road Villanova, PA 19085	839	Shapes/Arch	\$4,884.03	Α	Remaining claim subject to future objection.	
Travers Tool Co., Inc. 128-15 26th Ave. Flushing, NY 11354	890	Shapes/Arch	\$2,833.42	Α	Remaining claim subject to future objection.	
S - Secured						
A - Administrative P - Priority						
U - Unsecured T - Total Claimed						
Sch Scheduled Claim						